THE MADRAS LEGISLATIVE ASSEMBLY.

Monday, 30th June 1952.

The House met in the Legislative Assembly Chamber, Government Estate, Mount Road, Madras, at half past ten of the clock, Mr. Speaker (THE HON. SRI J. SIVASHANMUGAM PILLAI) in the Chair.

[*Note.*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

I.—PRIVILEGE MOTION *RE* LEAKAGE OF BUDGET PROPOSALS.

MR. SPEAKER :—" The Leader of the Opposition Mr. Viswanatham has given notice of a Motion which reads as follows :—

'Certain newspapers published some of the taxation proposals contained in the Budget speech of the Finance Minister more than a week before they were made available to this House, yesterday evening. Ordinance III of 1952, dated 19th June 1952, recites in its Preamble that the intention of the Government to increase the retail sales tax on petrol had been given wide publicity in an unauthorized way. Therefore, a breach of Privilege of the House has occurred. I move that the matter be referred to the Committee of Privileges to be constituted.'

I wish to know from the hon. Member Mr. Viswanatham whether such a thing has occurred anywhere in any Parliament and, if so, whether it was considered as a breach of Privilege."

* SRI T. VISWANATHAM :—" Mr. Speaker, Sir, you have put me a very, very wide question whether it has happened in any other Parliament. It is not possible even for the great Constitutionalists of Madras to answer the question off-hand. All that I can do is to take you through the present provisions of the Constitution and certain precedents which are given in May's Parliamentary Practice as we are also guided by May's Parliamentary Practice in this matter."

MR. SPEAKER :—" Kindly quote the page."

* SRI T. VISWANATHAM :—" I will quote the page, Sir. I am only introducing myself just now. I can only quote May's Parliamentary Practice for, under the Constitution, in all matters which are not expressly mentioned in the Article relating to Privileges, we are guided by the English practice and, therefore, Sir, I can confine myself only to May's Parliamentary Practice and to what has actually happened here. Therefore, Sir, in order to keep the House fully informed, I would first of all submit to you what has happened, i.e., what has appeared in the newspapers. On the 19th June 1952, the *Indian Express* published the following :—

'***New Madras Budget—Likely Taxation Proposals.***

Madras June 18th.

According to some reports which however lack confirmation, the following proposals for augmenting the revenues of the State are under consideration :—

(i) A slight increase in the existing tax on sale of motor spirit by two annas per gallon ;

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(ii) Betterment Levy in respect of areas benefited by new irrigation works;

(iii) Readjustment of the sales tax structure if possible with a view to making it yield increased revenue.

Sir, I request you to note also the next paragraph—

'Since it is felt that any increase in tax on petrol may indirectly affect bus owners, it is gathered that the Government are considering to devise methods by which bus-owners would be paid rebate, etc.'

The previous day, on the 18th June 1952, The *Mail* published the following :—

'*Probable taxes in Madras—Rs.* 50,00,000 *expected.*

'New taxes hinted at by the Chief Minister Sri C. Rajagopalachari during his tour of Rayalaseema may bring in an aggregate revenue of Rs. 50,00,000, it is learnt. There may be additional tax . . .'

Sir, it is not merely a general statement; it gives specific details—

'There may be additional tax on petrol. Betterment levy on land and tax on land growing commercial crops, are mentioned besides a suggestion to levy tax on agricultural incomes.'

'Like Hyderabad and Bombay, Madras may levy an additional tax on petrol. The burden of this, it is said, may fall mainly on private car-owners, but also affect bus-owners.'

'A tax on agricultural incomes is also suggested.'

Sir, these are some specific references to the proposals contained in the Finance Minister's Budget speech. Particularly you will be pleased to see that not merely a tax on petrol was forecast, but the attempt to give relief to bus-owners was also mentioned there. Therefore, Sir, I have no doubt that the Budget proposals had been taken away; and it is not my statement; it is the inference of the Cabinet of which Sri C. Rajagopalachari is the Chief Minister. This is what the Ordinance says—

'Whereas information about the intention of the Government of Madras to obtain the approval of the Legislative Assembly to an increase in the existing tax on retail sales of petrol from the present rate of four annas per gallon to six annas per gallon has been unauthorizedly obtained and given wide publicity . . .'

Sir, the Government enquired into the matter, applied their mind to it and came to the definite conclusion that it had been unauthorizedly obtained and given wide publicity."

MR. SPEAKER :—"If that is the case, the Government can take action under the Official Secrets Act. The question before the House is whether it is a breach of Privilege of the House."

* SRI T. VISWANATHAM :—"Sir, what action the Government are going to take, it is their look-out. The breach of Privilege of the House consists in the fact that the information has been published in newspapers before bringing the matter before the House for consideration. I am only on the point of fact. The Government have given a specific statement that the information has, according to them, been unauthorizedly obtained and given wide publicity. Therefore, Sir, there is no doubt that the Government were of the opinion on the 19th June 1952, as I am today of the same opinion, that this information was given out unauthorizedly or otherwise.

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"Sir, the next question which you were pleased to ask in the very beginning is whether there was any precedent in any other Parliament. I have not been able to get the House of Commons Debates of 1909 as the Library is far away. I have only just now sent a messenger and I did not expect that this question would come up now so soon."

MR. SPEAKER :—"A Motion of breach of Privilege has got precedence over other items of Business."

* SRI T. VISWANATHAM :—"On page 363 of May's Parliamentary Practice under 'Raising Matters of Privilege in the Commons,' it is said :

'Certain urgent matters, such as assaults upon or insults to members, or the communication to a newspaper of a memorandum explanatory of a bill which is to be introduced the next day, after the memorandum has been presented and ordered to be printed, but before it is available for members, if they should occur during a sitting of the House, may be raised at once in spite of the interruption of a debate or other proceedings . . ."

MR. SPEAKER :—"It is about Bills. How can it be applied to Budget proposals?"

* SRI T. VISWANATHAM :—"I shall explain it, Sir.

"I submit, Sir, whether it is a Bill or a Memorandum or whether it is an intention of the Cabinet or whether it is an oral communication made by a Member of the Cabinet, the result is the same, viz., the intention of the Government had been communicated to the Press earlier than it was made available to the Members of the House. That is the gist of the case and that is what May says: making it available before it is made available to the Members. Whether it had been actually unauthorizedly obtained or whether it was authorizedly given, all that does not matter. Whether it was unauthorized or by indiscretion the information went into the newspapers. The Government say that it has been taken away unauthorizedly and, therefore, I say it had been made available to the newspapers earlier than it was made available to the Members."

MR. SPEAKER :—"The hon. Member is speaking on the quotation from May's Parliamentary Practice. But, it applies to Bills and not to Budget proposals."

* SRI T. VISWANATHAM :—"I know, Sir. What applies to Bills applies also to Budget proposals in so far as they were made available to the Press earlier than they were made available to the Members."

MR. SPEAKER :—"Will you please refer to page 119 of May's Parliamentary Practice and read 'Premature Publication of a Committee's proceedings or evidence'?"

* SRI T. VISWANATHAM :—"It may apply to Budget proposals also."

MR. SPEAKER :—"No, it is a different matter."

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* SRI T. VISWANATHAM :—" Then, Sir, the question is whether we have got any precedents. The issue of Budget proposals did not go to the Committee of Privileges at any time. When there was a case for being referred to the Committee of Privileges, the Minister (Sir Hugh Dalton) immediately resigned and there was no necessity for referring it to the Committee of Privileges. Therefore, the case does not find a place in the Book of Precedents."

MR. SPEAKER :—" What about the Thomas case? Mr. Thomas was the Secretary of State for Colonies and during his time the *Manchester Guardian* published certain proposals of the Budget. At that time there was a Tribunal and the matter was referred to it under the Tribunals of Enquiry Act and not to the Committee of Privileges."

* SRI T. VISWANATHAM :—" It is all the more serious, Sir. There was a Tribunal at that time in England. Our Assembly has not yet passed legislation to appoint a Tribunal for this purpose; I think the Central Government are already thinking of bringing forward such a measure. Therefore, Sir, when once it is admitted that the matter has been published in the newspapers before . . ."

MR. SPEAKER :—" The question before the House is whether it is a breach of Privilege of the House."

* SRI T. VISWANATHAM :—" It is a breach of Privilege of the House when the Budget proposals had been made available to the Press earlier than they were made available to the Members of the House. I will give you a small instance to show how we have to look at this. Some time ago, as soon as this Government came into office, the newspapers published a programme for the first Assembly session. I then wrote to the Hon. the Chief Minister how the newspapers could publish the programme whereas nothing had been made known to the Members. I enquired of the Speaker's Office and the Speaker's Office also did not know anything. The Hon. the Chief Minister replied to me saying, 'Yes, it is unauthorized. Hereafter I will see that the information is made available to the Members before it is made available to others.' Sir, the Hon. the Chief Minister also is as jealous or should be as jealous as any other Member of this House in guarding the Privileges of the House and seeing that information of this nature is not given to the Press earlier than it is made available to the Members.

10-45 a.m. " It is a privilege of every Member of this House. It is a privilege of the entire House and it is a privilege which I am requesting you to protect. Otherwise, there would be nothing sacred about this Assembly. We are Members of this House first and foremost. Are we to sit calmly when the Press is going on commenting about Budget proposals when we are not aware of the same? When I go outside, people ask me, 'Do you know anything about what the Press is saying? You represent a constituency and surely you must know something about this.' Then another Member is asked, 'You are a very important man, and as such

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you must be able to tell me something about the Budget. When the information has been made available to the Press, how is it you are not aware of the same?' He has to answer them by saying, 'No, no, surely I do not know anything. Perhaps the Chief Minister knows all about this.'

"Therefore, I submit, Sir, that inasmuch as the information about the Budget proposals had been made available to the Press before the same was made available to the Members of this House, the dignity of the whole House and the Privilege of the entire House have been affected. I once again submit that there can be no clearer case of a breach of Privilege of this House than this one."

Mr. SPEAKER :—"I want the hon. Member to prove how this particular leakage of information constitutes a breach of Privilege of the House."

* Sri T. VISWANATHAM :—"Sir, I thought I had made myself very clear. The very fact that the Budget proposals had been made available to others before they were made available to the Members of this House constitutes a grave breach of Privilege of the House as a whole. I submit that it is necessarily the Privilege of every Member of this House to enquire who is responsible for this leakage. The Privileges Committee has got ample powers to collect information, to call for records, to call witnesses, fix guilt on the man who is responsible and then report to this House about its findings. It would be for this House then to take appropriate action. The Privileges Committee may recommend that inasmuch as this is the first instance that such a leakage has ever occurred, the matter may be treated lightly. It is, however, ultimately for this House to sit in judgment and arrive at proper conclusions according to the gravity of the offence. I submit, Sir, that it is the inherent duty of this House to proceed on these lines.

"I contend, Sir. that it is the right of the Members of this House to know the Budget proposals prior to their despatch to the Press. The Government have themselves admitted that somehow the matter did reach the Press. Not only that. They have also specifically stated that unauthorized publicity has been given to it.

"Thus I have absolutely no doubt whatsoever in my mind that a *prima facie* case has been made out. A breach of Privilege of the Members of this House has been committed. Whether it is a Bill, a Memorandum or a Budget proposal that has leaked out, all are on the same level and their prior publication does constitute a breach of Privilege of this House."

Mr. SPEAKER :—"I am going to allow only one more Member from the Opposition to speak before calling upon the Government to reply."

* Sri P. RAMAMURTHI :—"Mr. Speaker, I would like to submit first of all that this is a very serious matter."

Mr. SPEAKER :—"The hon. Member need not go on repeating that the matter is serious and urgent."

* SRI P. RAMAMURTHI :—" It is because the matter is a very serious one, I want to make my own submissions. The question involves not only the dignity of the Members of this House individually but that of the House as a whole. Therefore, it is up to you, Mr. Speaker, to hear us patiently."

MR. SPEAKER :—" Let not the hon. Member dictate terms to the Chair. When the Chair is on its legs the hon. Member should not stand. I know what I should do and should not do. I know my duty."

* SRI P. RAMAMURTHI :—" I respectfully submit, Sir, that I was only saying that I should be heard.

" Now the main question that should be considered is whether this particular leakage involves a breach of Privilege of the House. Mr. Speaker, you were good enough to observe in regard to the precedent quoted that a Bill was involved in that case. I may respectfully point out, Sir, that the Finance Bill is a Bill. It forms part of the Budget proposals and it is a taxation measure. In Ordinance III of 1952 it has been actually stated that the Government would seek the approval of the Legislature for this proposal at a later date. There is no difference between a Budget proposal and a Bill. The speech of the Finance Minister is nothing more than an explanation of the proposals which will come up in the form of a Bill to be introduced later. Therefore I submit that even if we are to put a narrow interpretation on the precedent that you were good enough to quote, we find that there is no difference between that precedent and this one.

" Apart from this, I should like to point out that it is the inherent right of the Members of this House to know the Budget proposals first and foremost before the matter is communicated to the Press. As such a thing has not happened and the leakage has occurred, I submit that this is a fit case to be referred to the Committee of Privileges."

* THE HON. SRI C. RAJAGOPALACHARI :—" Sir, the main trend of the arguments advanced by the Leader of the Opposition and Sri P. Ramamurthi narrows down to this, viz., that information which the House is entitled to get on a particular date has been got by other people beforehand, and therefore a breach of Privilege of the House has been committed. So far as I can see, Sir, this is a Motion arising really out of confusion of responsibilities. The Government are responsible in this matter and the Government's position has been hurt and injured in this connexion. It is not a privilege of the House that has been broken. That is my brief answer. (Sri P. Ramamurthi rose to interrupt) Let my Friend also follow the ' patience rule '.

" I want hon. Members to think of a very simple case in this very context. Supposing I had asked my Finance Minister to bring this measure not in the Budget Session but at some other time in the form of a Bill and supposing he had published the Bill in its entirety in the Gazette for the whole world to know before

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bringing it to the House, it would have been a proper course according to the procedure prescribed for Bills intended to be introduced into the House.

"I am surprised at the trend taken by my hon. Friends. I have no doubt that they think they have done the right thing in bringing forward this Motion. I think it is due to confusion of ideas.

"Hon. Members sitting opposite to me are no doubt competent to criticize the Ministers. It may be that some time those who occupy the front benches opposite may adorn the Treasury Benches. They feel very anxious that the Privileges of the Cabinet and of the Government should not be affected. I quite agree with them.

"The only question that remains is that a Cabinet intention was anticipated and published. How the secret was got, we do not know. It may be merely a guess by the Press. But because I considered that it will somehow lead to exploitation, the Ordinance was issued. That is why in the Preamble to the Ordinance it was specifically stated that unauthorized publicity had been given. As it was apprehended that there would be considerable loss of revenue unless the proposal was implemented at once, the Ordinance was issued. Before a Finance Bill is introduced it is necessary to go into its working and find out how much it would bring in. I do not see any reason whatsoever why a Cabinet Minister or a Chief Minister should divulge the secret to the Editor of a newspaper—God only knows why—and issue an Ordinance the next morning.

"The question of Privilege of the House does not at all arise. This is a matter relating to the Government which they might consider under the provisions of the Official Secrets Act. It is the look-out of the Government. If I had any idea of what had happened I know pretty well to take efficient and effective steps in the matter. The Opposition need not remind me about all these.

"Because we considered that the leakage would give room for exploitation we had to issue the Ordinance overnight. We regret the leakage no less than anybody else. But this is no case where the Privilege of the House has been broken. This is the single point I want you, Mr. Speaker, to concentrate upon."

* Sri T. VISWANATHAM :—"I only wish to clear the confusion which the Hon. Chief Minister has just now attributed to us. The Hon. Chief Minister has told us that it is the Privilege of the Cabinet that has been broken. I want to emphasize and I request you, Sir, to follow this point, that it is not merely the Privilege of the Cabinet but it is the Privilege of the entire House that has been affected. The Cabinet having been entrusted with executive functions, it has got certain responsibilities with regard to dealing with matters which are confidential. I would leave it to the Chief Minister to decide what he should do or should not do. What consequences would follow the action or inaction on the part of the Chief Minister, it is for the future to decide."

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THE HON. SRI C. RAJAGOPALACHARI :—" May I say a word of reply, Sir? "

* SRI T. VISWANATHAM :—" You always have the last word."

MR. SPEAKER :—" The Government have got a right of reply."

* SRI T. VISWANATHAM :—" The right to raise the question of breach of Privilege that has been committed devolves upon all the Members of this House whether they sit in the front benches, back-benches or on the Treasury Benches. Before the information reached the Press it ought to have been made known to the Members of the House. That is the real point. Therefore I do maintain that there is no confusion whatsoever.

" The Hon. the Chief Minister gave an analogy, viz., the publication of Bills in the Gazette. I submit that our Rules provide for such a publication in the Gazette when the Legislature is not in session. And so it is a waiver on our part in the public interest. But this is a clear case where the Privilege of the Members of this House has been affected. The House did not know the Budget proposals before they were communicated to the Press. This does not come within the scope of the Official Secrets Act at all if I understand that Act aright. Hence I move that the matter be referred to the Committee of Privileges."

* THE HON. SRI C. RAJAGOPALACHARI :—" My Friend has replied. As far as I can see there is still confusion. With due respect to the Leader of the Opposition, I do admit that a breach of propriety or breach of duty on the part of Government is always a matter for the House to consider. Nobody denies it. As I have already stated, the question of Privilege does not at all arise here. The whole question of Privilege narrows down to this, viz., was this House entitled to have information before the world came to know of it in a particular case? As I have observed, a Finance Bill could have been previously published in the Gazette and in the newspapers for public information. The arguments of the Members on the other side are all based on this slender foundation. I have shown how that foundation is wrong and that foundation has broken down.

11 a.m. " I do not deny that leakage is undesirable. But it is the responsibility of the Government and not this House to look into the matter. Under the Official Secrets Act, the Government, if advised it, would be useful, would take proper action. I maintain that the Opposition have been partially correct and partially wrong in their observations. They are partially correct when they say that the House has got control over the Ministers. But they are wrong if they imagine that a leakage of an official secret is a breach of Privilege of the House also."

MR. SPEAKER :—" In England two similar cases of leakage of budget proposals have occurred; one in 1936, known as the Thomas case and the other was the Dalton case which took place

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in 1947. I am having with me the latest edition of May's Parliamentary Practice. I will read it for the benefit of the Members of this House :

'By the ancient custom of Parliament no act done at any Committee should be divulged before the same be reported to the House.'

Upon this principle the Commons, on 21st April 1937 resolved—

'That the evidence taken by any select committee of this House, and the documents presented to such committee, and which have not been reported to the House, ought not to be published by any member of such committee or by any other person.'

Where the public are admitted, this rule is usually not enforced."

* SRI T. VISWANATHAM :—" It is our choice."

MR. SPEAKER :—" The publication of proceedings of committees conducted within closed doors or of reports of committees before they are available to Members will, however, constitute a breach of privilege.

" In the case of Mr. Thomas, it was not referred to the Committee of Privileges. It was referred to the Tribunal under the Tribunals of Enquiry Act, 1921. In England, the House should know, such an Act is in existence. We have no such Act here. So, it was enquired into by a Tribunal which consisted of a Judge of the High Court and two Barristers.

" In Dalton's case, Dalton himself confessed in the House of Commons that he gave the Budget proposals to the lobby correspondent of the *Star*. Then he resigned. Mr. Churchill moved a Motion to refer the matter not to the Committee of Privileges but to a Select Committee of the House. I hope Mr. Viswanatham will note that it was not referred to the Committee of Privileges but to a Select Committee of the House."

* SRI T. VISWANATHAM :—" Then, Sir, I move . . ."

MR. SPEAKER :—" Not now, but after my ruling is given; and for that also the hon. Member must give notice.

" The Journal of the Society of Clerks-at-the-Table in Empire Parliaments has commented in a leaderette about both these cases —Thomas case as well as Dalton's case—as follows :—

'The custom of the maintenance of the secrecy of the Budget before the official statement thereon by the Chancellor has been made in the House of Commons is a sacred constitutional convention at Westminster and one which is also respected in our Overseas Parliaments. Indeed the position could not be otherwise. Most dearly, therefore, does any Cabinet Minister have to pay the price for any violation of this convention.'

" The House knows what a breach of this convention is. Mr. Thomas was then the Secretary of State for Dominion Affairs. In that instance, the disclosure of the Budget secret was considered more serious and a special Tribunal was appointed under the Tribunals of Enquiry Act, 1921. The result was, it cost Mr. Thomas his seat in the Cabinet and his future parliamentary career. Commenting on this, the *Times* wrote a beautiful article : 'The secrets of the Budget in particular must not be communicated by so much as a hint even by the humblest of those who know them.' I agree

with that. But the question is whether it is a question of Breach of Privilege of the House. I would like to tell the hon. Member, Mr. Viswanatham, that it is not a breach of Privilege of the House. If the House wants to go into the matter, there are other ways of doing it.

"I must also tell the House that when the Dalton case was before the House, the society consisting of the lobby reporters submitted a memorandum to the Enquiry Committee. It will be useful if I read this to the House because the Members of this House also should know all these things. I am reading it from the memorandum submitted by the journalists: 'It has always been the tradition among lobby journalists that anything which an hon. Member may ask to be off the record is regarded as strictly confidential and not for publication.' As I have already stated, if the House wants to enquire into the matter, there are other methods of doing so. It cannot be enquired into under a breach of Privilege Motion. The hon. Member has not made out a *prima facie* case and I rule the Motion out of order."

* SRI T. VISWANATHAM :—"Arising out of your ruling, Sir, I move—

> '*That a Select Committee of the House be constituted (names to be submitted later) to enquire and report on the Budget leakage.*'"

MR. SPEAKER :—"For that the hon. Member must go to the Hon. the Chief Minister and take his permission, as Mr. Churchill did in England. If he agrees that it could be taken up on an official day, the hon. Member may then come to me."

* SRI T. VISWANATHAM :—"Am I to take it that unless the Chief Minister agrees, it cannot be moved?"

MR. SPEAKER:—"The hon. Member must know the difference between official business and non-official business."

* SRI T. VISWANATHAM :—"I know it very well, Sir. If the Chief Minister consented . . ."

MR. SPEAKER :—"I am not going to allow a debate on this. It is better discussed with the Chief Minister in his room or somewhere in the Secretariat. I have already given my ruling. Let us now proceed with the next item on the Agenda, namely, Interpellations."

II.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Non-officials on the Regional Transport Committees.

* 11 *Q.*—SRI K. KRISHNA RAO: Will the Hon. the Minister for Industries and Labour be pleased to state—

(*a*) whether it is a fact that the Chief Minister in his Press Conference on 16th May said that the Government have decided